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RATIONALITY IN ETHICS AND ECONOMICS

A SCEPTICAL APPROACH



INTRODUCTION

Why are theologians interested in matters of economics? Are there any good reasons to interfere in the business of others? *Sileant theologi in munere alieno* is a classical advice, which lawyers have given to theologians in the XVIIIth century (cf. Chenu, 1955, 43). Commit yourself to your own science. And after the end of the XXth century, nothing has changed. As before, scientific research in theology as well as in economics can only be fruitful when the requirements of each methodology are respected and when the body of knowledge of each tradition is well understood. Scientific research makes demands on restrictions to the human mind. So, one has to be alert when theologians are interested in matters of economics.

Nevertheless, these warnings cannot prevent the scientific curiosity. The old-day lawyers were perhaps irritated by a kind of theology that used to present itself as the *Regina scientiarum*, the queen of sciences. This queen based her claims on a traditional worldview and on traditional socio-political institutions. In our world, which is deeply influenced by fundamental scientific, philosophical and sociological developments, this queen has to be silent at least. But, the lawyer's advice does not necessarily imply that a theologian cannot participate in scientific dialogues about important matters regarding the (re) organisation of our world. The above-mentioned developments have influenced many generations of theologians too. As times passed by, the number of theologians who consider themselves as inheritors and spokesmen of this queen has become very small and will probably extinct.

Today, generations of theologians have a scientific curiosity in all kind of knowledge that regards our every day human live and its structures. They are really and critically

interested in it. For, during many decennia of the XXth century they have been rereading the texts in the Bible and in the ancient patristic Christian literature that are the origins and springs of the religious awareness of Christianity. Doing so, many theologians rediscovered within this religious awareness a fundamental orientation to 'the world', to 'the joy and hope, anger and fear of people in our time' like the fathers on the Second Vatican Council (1965) said (*Gaudium et Spes*, 1). On behalf of this specific religious reason, theologians in this time consider themselves as participating this joy and hope, anger and fear and have developed a scientific curiosity to matters of economics. They want to know if there are relations between this science and its knowledge about our human world on the one hand and theology and its body of knowledge about the humanity of man on the other.

During the past years, theologians have been starting to study economics. They have been entering a field within which many questions rise about the very paradigm of economic thought. Many economists put questions about the neo-classical approach of economic science. So, a theologian has to be modest when he cooperates with an economist. He visits a house full of noises. Many signs draw his attention to a crisis of vision in economic thought, as the title of a book of R. Heilbroner and W. Milberg (1995) says. The lawyer's advice from the XVIIIth century becomes a new and urgent tenor.

One of the dimensions of this crisis seems to be a serious quarrel about 'the economic man'. Of course, the economic man is a metaphor like the other famous economic metaphor 'the invisible hand'. But a theologian visiting the house of economists has to learn quickly that the mere recognition of these descriptions, being part of a metaphorical language itself, is already part of serious discussions. For, within economics, these metaphors can be interpreted as metaphors of *laws* of human behaviour or metaphors of *rules*. For example, the study of the writings of Adam Smith, the founding father of economics, can

be undertaken as a study of *law-governed* market behaviour or as study of *rule-governed* market behaviour (Peil, 1999, 20). It is a phenomenon which theologians are not unacquainted with. The reading of biblical and patristic texts is part of such quarrels too. But it has to make a theologian modest. He has to combine his new passion with prudence.

In this book, passion and prudence both are present. I will explain both of them. At first I will make some remarks on passion. Theologians and economists discuss here some aspects of economics, which are related to the labour market. For, this market is a clear example of a social phenomenon within which 'exchange' is contested and the traditional welfare-approach of the neo-classical economy is put into question. The labour market is a system, which does not work by mere counting rational preferences of welinformed individual actors who react in an efficient way to offered wages. Does a labour market know 'pure' market transactions? People on a labour market do not act as the economic man. There are reasons to believe that a labour market has to be understood by developing an economic theory, which makes room for endogenous preference formation, as Milberg puts it (cf. Milberg, 1993, 276).

The growing awareness of this problem involves growing doubts about the concept of the economic man. Nobel prize winner Amartya Sen qualified this rational egoist as a rational fool. The supposition that the economic subject is an individual, who is only interested in rational maximalising his private profits, is a supposition, which is broadly discussed and often rejected, in the modern scientific community of economists. The doctrine of the economic man can not explain phenomena in the real world like altruism, political involvement and moral prejudices, bonds with traditions of values, groups and rules, the experienced differences between well being and freedom (cf. De Beus, 1995, 19). Nevertheless, these phenomena influence people's market behaviour, on labour markets and other markets alike (cf. Bowles, 1998). Milberg gives a critical review of

developments in economic science denouncing this supposition as its 'failed naturalism'. According to him, the economic man is an 'economic conception of the natural' (Milberg, 1993, 273). It is a result of the eighteenth century's emphasis on human behaviour as a reality, which is closed like a natural phenomenon and can be analysed with the expectation that its laws can be completely discovered.

When theologians enter the house of economists and hear this kind of critical questions, there is reason for passion. Economists and theologians seem to have a common goal; a goal, which Milberg explains as the project of constructing a postmodern economics, which he comments as the endeavour 'to look seriously beyond the natural-law framework and toward a more interpretive and less deterministic mode of analysis' (Milberg, 1993, 277). Also theologians have worked toward a more interpretive mode of analysis for decades already. Rereading biblical and patristic texts, they have discovered that they have to leave a concept of revelation and faith that doubles our concept of human realities. Theologians like Karl Barth, Paul Tillich and Karl Rahner have worked with different methodologies on a pluralistic concept of ultimate reality that opens and transforms our human reality and which orients us on a creative and critical way to processes of humanisation of the human reality.

There is reason for prudence too. Labour is not a commodity like other objects of economic transactions. More than other 'goods', labour is a force in class and class struggle. The division of labour is not only a question of re-allocation. It has also to be defined as an aspect of negative freedom, because labour depends on legal rights. And it is connected with positive freedom, because people invest their actual and future well being in it and their ideas and expectations about actual and future freedom. More than others 'goods', labour is connected with social capital. Transactions on a labour market imply social norms and strategic behaviour, because all actors try to gain an

appropriate level of (at least) partial control of action (cf. Van Hoof, 1987). So, there is reason for prudence. A labour market can better be described as an arena than as a market of free, fully informed and independent actors.

There is another reason for prudence. In western societies, division of labour is one of the causes of the process of modernization and rationalisation (cf. Rüchemeyer, 1986). Connected with the development of new technologies, the division of labour has created new institutions, which dedifferentiated many classic economic communities and shaped new ones, based on new rules of behaviour. Theologians, church leaders, lawyers and other members of the Christian intelligentsia in western societies have tried to formulate new answers to the question how to react to these new 'social question'. They have looked for and trusted totally different answers. Some of them develop a renewed theological 'naturalism', which defines 'labour' in a way without any connection with our real history and economy. Others interpret the Christian message as a 'dialectical' perspective on man and reality. In this perspective, Christian faith criticises the consequences of the division of labour and the modern economy as a source of slavery, as a 'night of capital'. A third position can be found among theologians who critically stress the incarnation of the Christian belief in the actual shape of our economy. So, not all theologians will share a plea 'to look beyond the natural-law framework'. At least, they will hear the plea for a more interpretive approach of economy in very different ways.

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